

Divergent Paths: Imperial Legacies, Strategic Agency, and the Divergence of Democracy in Taiwan and Authoritarianism in the PRC

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Abstract

This study provides an explanatory approach to the question, why the People's Republic of China (PRC) and Taiwan developed so differently despite both having experienced foreign imperialism. The short and informal answer is the choice of power retention, namely ideology in the PRC and pragmatic adaptation in Taiwan. The PRC's formal and informal institutions deteriorated starkly after the extractive Western imperialism. Taiwan experienced a Japanese colonizer exporting and leaving behind an effective state apparatus, on which following agents could confidently build. Agents are understood here as individuals, human beings, social beings, who are affected by the society they live in and simultaneously shape this very same society with their activities and consequences. The results of this comparative analysis are twofold: *Firstly*, societies that experienced imperialism are more likely to develop on a path towards democracy if the imperial power engaged in building efficient state institutions. *Secondly*, preference-based choices (i.e., normative, utilitarian and habitual) of political agents matter significantly. The case of the PRC demonstrates normative path dependence with agents, who maximize their utility by preferring ideology over pragmatism. The case of Taiwan shows a utilitarian path dependence with agents maximizing their own benefits by constant adaptation.

Keywords: *historical institutionalism, critical juncture analysis, international relations, China, Taiwan, United States, imperialism*

1. Introduction

The mainland-Chinese path dependence after the experience of Western imperialism was caused by this external shock in the PRC. Consequently, the Confucian culture diverged from its original path and solidified the desire for self-protection by rejecting the systemic offers from the former imperialist Western powers, most notably the first-wave treaty port nations Great Britain and the United States (US) as well as France and Germany (Jia, 2014: 598). While the culturally related Taiwan experienced foreign imperialism as an external shock as well, the impact differed from the experiences in mainland-China as the results of Jung and Grigoriadis (2019: 87) suggest.

Today, Taiwan is one of the strongest industrialized East Asian democracies besides Japan. That is remarkable seeing that the PRC developed almost contrarily into an authoritarian state. Internationally, Taiwan plays a key role in the Sino-US power conflict with its world-leading microchip and semiconductor industries as well as its geo-strategically important in the South China Sea (just over 80 miles of the mainland Chinese coast). According to Acemoglu et al. (2001: 1369) and with regards to countries that experienced imperialism, a country's current state and civil institutions are built on historical predecessors created by imperial powers. Furthermore, countries with stronger institutions appear to invest more efficiently towards economic development and therefore achieve higher per capita income than countries with weaker institutions. In 2015, Taiwan's per capita gross domestic product (GDP) was USD 22,752.99, while the PRC achieved USD 8,034.29 (International Monetary Fund 2022, online).

From the above observations, this study derives two hypotheses:

1. The Japanese imperialism in Taiwan was more conducive towards efficient state institution building than Western imperialism in mainland China, which stabilized Taiwanese society and allowed for liberalization and ultimately democratization. Formally, this study hypothesizes that the "lock-in" (Pierson, 2000b: 492) options during the initial causal steps, which produce the path dependence (Ji, 2022: 3) or enchainment of sequences of social events (Abbott, 1983: 132) were substantially different in Taiwan and the PRC; and

2. The choices of political agents then solidified the respective path dependence conditioned by the agents' risk aversion and desire for power preservation. With the help of the morphogenetic approach, the cultural conditionings, emergent properties and situational logics as well as the outcomes resulting from the conditioning effects of the relevant interactions will be analyzed (Greener, 2005: 65).

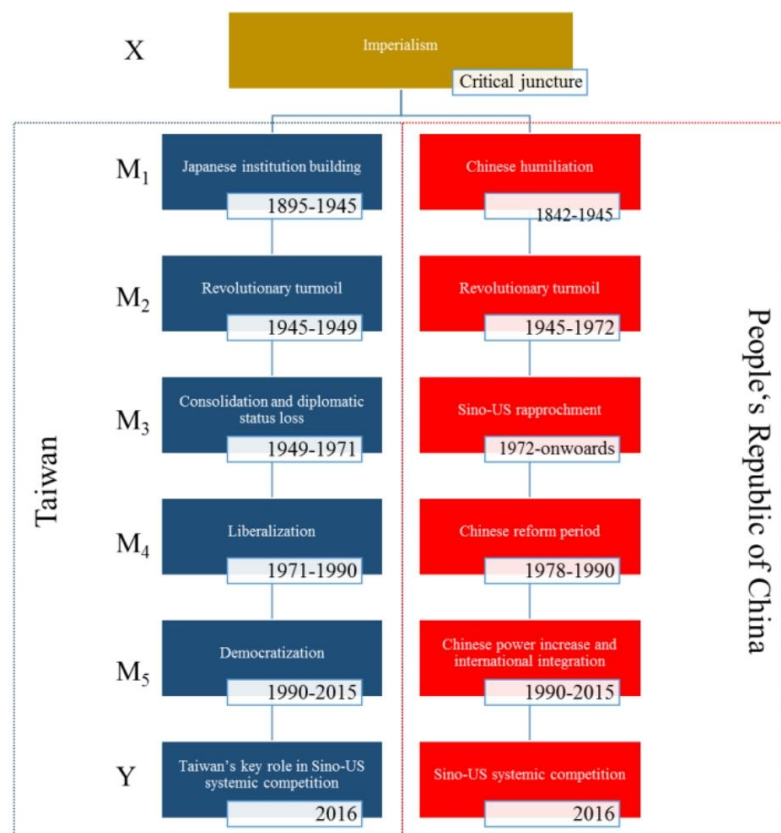
The cases of the PRC and Taiwan provide a rare opportunity for paired comparison analyses of two culturally related territories in pre-imperialist times. On the one hand, comparing these two countries is experimentally ideal (Read et al., 2021: 211) owing to their partly shared cultural roots and close historical ties. On the other hand, "Taiwan has its own distinct history; it cannot simply be reduced to an offshoot of China and interpreted through a Sino-centric lens" (Read, 2018: 1). However, this study does not assume a complete cultural and historical overlap between China and Taiwan. Rather it focuses on differences before and after an event of commonality, namely the experience of foreign imperialism. Imperialism functions as a quasi-experimental treatment on both societies, such that different effects on societies originally sharing the same Confucian culture can be studied (Jung and Grigoriadis, 2019: 85). The juxtapositional comparison (Schaffer, 2021: 47) of the nowadays systemically fundamentally different Taiwan, a tremendously resilient democracy (Wong, 2019: 200), and the PRC, an authoritarian system, is in danger of becoming arbitrary. That is correct regarding the two societies' status quo. This study, however, compares the development paths originating from a joint or closely related path preceding these substantially different outcomes. This study therefore systematically compares the diverging development paths to then draw conclusions and explain why Taiwan turned out to be a stable democracy and the PRC an authoritarian system. In other words, this analysis examines the causal mechanisms of how institutions were created as well as how they were sustained to combine agent-centered and structural explanations (Bennett and Elman, 2006: 260–261).

The paired comparison between the cases of the PRC and Taiwan allows to control for variables, causal-process analysis and create a greater descriptive power for the hypotheses in question (Gisselquist, 2014: 478). The present comparison is designed after Mill's method of difference, "in which the phenomenon [here democratization in Taiwan] under investigation occurs, and an instance in which it does not occur [no democratization in the PRC],

have every circumstance in common save one, that one occurring only in the former; the circumstance in which alone the two instances differ, is the effect, or the cause, or an indispensable part of the cause, of the phenomenon" (Mill, 2012: 455). Structurally, this study constitutes a cross-regime-type study (Read, 2021: 209). With that, both internal and external validity can be achieved.

The present study builds on the findings of the previous one. It aims at assessing the significant differences in the critical juncture and the subsequent lock-in options (Howlett and Goetz, 2014: 483), namely imperialism that led Taiwan on a development path notably different, practically diametrically, from the PRC. For this comparative analysis, this study will equally apply an extended post-critical juncture causal process as suggested by Mahoney et al. (2016: 77) but graphically adapted to fit the comparative analysis. Figure 1 illustrates the determined causal steps or sequences. On the left side of Figure 1, Taiwan's causal process is opposed by that of the PRC.

Figure 1 *Extended post-critical juncture causal process (Mahoney et al. 2016, p. 77) of Taiwan and the PRC in comparison*



Notes: X = critical juncture, M = causal steps; Y = outcome of interest.

The processes following the post-critical juncture in Japan are summarized in Figure 1. X represents the critical juncture of the onset of Japanese imperialism experienced in Taiwan in 1895 marked by the Treaty of Shimonoseki; X is therefore a point in time and not a time period. M₁ is the Japanese institution building between 1895 and 1945, which aimed at supporting the Japanese economy. M₂ is the period of civil war (from 1945 to 1949) in China between the Communists and the Nationalists; the latter withdrew to Taiwan after their defeat. M₃ is the phase where Taiwan experienced domestic consolidation but lost its diplomatic status as a member of the United Nations (UN) General Assembly. M₄ represents the liberalization period, which brought about several political reforms and paved the way for M₅. M₅ marks the democratization of Taiwan between 1990 and 2015. Y is therefore the outcome of interest or status quo, namely Taiwan being a resilient democracy and market economy with a key role in the Sino-US power conflict due to its significant economic and geo-strategic relevance for both powers from the year 2016 onwards. Figure 1 already suggests that a number of Taiwan's causal steps lasted remarkably shorter than some of the PRC's steps, especially M₁ and M₂. This will be part of the comparative analysis in the following sections.

For mainland-China, the post-critical juncture process encompasses the same number of steps. However, they differ in duration period and agency decisions. Imperialism, X, presents the critical juncture of the onset of Western imperialism experienced in China in 1842; X is equally a point in time rather than a period. M₁ is the perceived humiliation of the Chinese side resulting from being overwhelmed and subjugated by Western aggression between 1842 and 1945. M₂ describes the period of civil war (from 1945 to 1949) in China and resulting in the victory of the Communists over the Nationalists and leading to the Cultural Revolution with the abandonment of Confucian tradition – a diversion from original cultural paths (Jung and Grigoriadis, 2019: 78). M₃ represents the beginning of Sino-US (economic) engagement from the 1970s onwards. M₄ marks the reform period under Deng Xiaoping with his motto of “*tao guang yang hui* (keeping a low profile)” (Yang, 2020: 428) on the world stage. M₅ is the Chinese power growth resulting from economic and social development as well as international integration between 1990 and 2015. Y is

the outcome of interest, namely the inter-state power conflict or systemic competition¹ between the only remaining world power after the Cold War, the USA, on the one side and the PRC on the other side.

The succeeding analysis therefore compares the causal possibilities, contingencies, and closure in the sense of feasible paths and constraints of the respective development paths (Bennett and Elman, 2006: 252) to argue for path dependence for the PRC and Taiwan.

2. The critical antecedent: East Asia as the target for imperialism

This study, like Basu and Miroshnik (2020: 7), defined “imperialism” according to Rosa Luxemburg’s (2014) definition: “Imperialism is the political expression of the accumulation of capital in its competitive struggle for what remains still open of the non-capitalist environment” (426). In that sense, with imperialism, states pursue privileged channels for their goods and capital, utilizing either force or threat (Allio, 2020: 83). From that, this study derives that imperialism - and its sub-form colonialism - of the nineteenth century is a result of economically and industrially advanced countries fiercely and violently competing with each other over the acquisition of geographical areas, which would serve as both resource supplier and market (Basu and Miroshnik 2020: 1–2).

Taiwan had been a peripheral part of the Chinese Qing-empire for roughly three centuries before it became a province in 1885 (Paine, 2003: 6) and was thus relatively closer integrated into the Qing-empire’s administration. Historically, China had been the dominant power in East Asia up until the onset of Western imperialism in China. Being defeated in the Opium Wars by Great Britain (1839–1842 and 1856–1860) as well as in the Sino-French War (1884–1885) laid bare the institutional and structural weaknesses of the Chinese governance system (Greve and Levy, 2018: 12). This ultimately paved the way for Japan as an East Asian rising power aiming at increasing its international power status by territorial conquests. Just like among Western imperial powers, the Japanese government of the late nineteenth century deemed it necessary to have an empire in order to be part of the group of great powers. While the competition for territories in the mainland East Asia was fiercer, the seizing of Taiwan appeared to be a less costly start (Paine, 2003: 249). The decision to seize Taiwan was made by the Japanese Imperial Conference in September

1872 (Lengerer, 2019: 116). Officially, the objective was to punish Taiwanese natives for repeatedly attacking Japanese vessels. However, the economic motivation behind Japan's imperial endeavors were driven by the desire for new markets and resources (Jansen, 2002: 415–455). In 1874, Japanese steamships indeed embarked for Taiwan after the USA, Great Britain, Italy, Russia and other Western powers declared their neutrality in the issue and the Chinese government merely protested (Lengerer, 2019: 120). This first expedition was unsuccessful but made the Japanese government realize their need for an own fleet of steamships to enable troop movements – the Japanese company Mitsubishi was entrusted with the running and maintenance of the ships and thus received a crucial role within the Japanese military-industrial complex (ibid., 131).

While Japan had planned the occupation of Taiwan for decades, the First Sino-Japanese War from 1894-1895 broke out due to conditions of “uncertainty of rules within an institutional and strategic environment of legal pluralism; and the presence of multiple strategic competitors who were bilaterally and multilaterally rewriting the rules of the game” (Park, 2020: 229). In other words, China and Japan fought for regional hegemony with each other as well as with Western imperial powers. The outcome of this First Sino-Japanese War is the critical juncture of this study.

3. The critical juncture X: The Treaty of Shimonoseki (1895)

A critical juncture is a relatively short period of time - rather than a point in time - during which permissive conditions allow change within the scope of existing productive conditions. Critical junctures are thus periods of relative fluidity, where an (exogenous) shock can cause a deviation from the original development path (Mahoney et al., 2016: 77; Capoccia, 2015: 156). This path deviation contains equifinality in the sense that the outcome of such a juncture is part of a set of equally possible options (Soifer, 2012: 1573).

The Sino-Japanese War resulted in the Chinese defeat and the signing of the Treaty of Shimonoseki on 17 April 1895 (Park, 2020: 224). The design of the treaty shows that the Japanese “Premier Ito was a great admirer of Otto von Bismarck. He hoped to emulate Germany's victory over France in the Franco-Prussian War of 1870-1. [...] Just as Ito had modeled the Meiji Constitution on that of Prussia, so he wanted the Treaty of Shimonoseki to mirror the key

features of the 1871 Treaty of Frankfurt: territorial annexation, a large indemnity, occupation of an enemy city to insure payment of the indemnity" (Paine, 2003: 265). Indeed, the content of the treaty demanded China to accept Korea's full independence, to pay Japan 200 million silver taels in war reparations as well as to hand over control over the Liaodong peninsula, Taiwan, and the Penghu Islands to Japan. Furthermore, the Qing government "opened four more treaty ports, gave railroad concession rights to Japan, and granted unilateral extraterritorial privileges to Japanese nationals in various industry and manufacturing sectors in northeast China" (Park, 2020: 225). The treaty thus mirrored the power political endeavors of the time by securing territories and economic assets to the victorious power and additionally ensuring humiliation of the defeated party.

The Treaty of Shimonoseki is therefore in line with the Treaty of Nanking from 1842, with which the United Kingdom established the Treaty Port System (1842 - ca. 1945) in mainland-China. The Treaty Port System granted foreign powers privileges such as favorable trade privileges and extraterritoriality in China (Jia, 2014: 598). After three centuries under Qing-rule, Taiwan was thus integrated into the Japanese governance system (Matsuzaki, 2019: 14).

Regarding the theoretical framework of this study, the "distinct feature of a historical juncture with the potential to be critical is the loosening of the constraints of structure to allow for agency or contingency to shape divergence from the past, or divergence across cases" (Soifer, 2012: 1573). The Sino-Japanese War "shattered Chinese hegemony and demonstrated to an astonished West that Japan had become a modern great power. Such a seismic reversal in the traditional balance of power fractured the previous international harmony within the Confucian world and left an aftershock of enduring territorial and political fault lines that have embroiled China [and] Japan" (Paine, 2003: 3). Thus, the Sino-centric worldview and order that China had been living by for centuries surrounded by states paying tributes to secure China's support and protection ended abruptly. The military conflict between China and Japan was not only a conflict between nations but between state philosophies, cultures, and between Chinese culturalism, and Japanese expansionism. The Chinese governments had been rejecting for centuries to open up and exchange with the outside world; focusing on self-preservation and following the strict Confucian traditions instead, which China deemed

superior to any other culture. In the case of the Treaty of Shimonoseki, the defeat of the Chinese side by the Japanese power is the permissive condition, which altered the status quo, namely the former power balance between China and Japan. The treaty ensuring Japanese privileges is the productive condition in that critical juncture that manifests the divergence from the initial conditions (Soifer, 2012: 1574–1575). Therefore, both mainland China and Taiwan experienced the onset of Western and Japanese imperialism, the critical juncture, without significant differences. The Treaty of Shimonoseki is an integral part of the Chinese Century of Humiliation (Christensen, 1996: 45). The foreign invasions in mainland China and Taiwan are thus a quasi-experimental treatment, whose effects will be discussed in the following sections.

4. (M₁) Japanese institution building (1895-1945)

To clarify one aspect: This section does not seek to relativize the violent Japanese rule over Taiwan. Its purpose is to assess the state and institution building efforts made by the Japanese rulers in Taiwan and to compare these to the experiences with Western imperial powers by the mainland China. When speaking of state and institution building in this analysis, that refers to the installation of state institutions in the shape of formal rules and enforcement mechanisms as well as their (informal) social contract between state and citizens. When China ceded the island of Taiwan to Japanese control as dictated by the Treaty of Shimonoseki, Japan faced a living laboratory of institution building in its first colony (Ts'ai, 2006: 98). Acemoglu et al. (2001: 1395) found that current institutions in former colonial areas are significantly affected by colonial treatments. These treatments are a useful determinant of the performance of today's institutions in formerly colonized or imperialized areas to predict economic output. They furthermore found that the Japanese Meiji Restoration turned out to be a helpful basis for economic development due to more effective state institutions organizing society, while European powers tended to establish extractive institutions in areas that were too hostile to settle – like in Asia. Mattingly (2017: 5; 8) found similar evidence for the effect of the Japanese rule over the mainland-Chinese province of Manchukuo from 1932 to 1945, which was based on administrative restructuring.

Just one year after the annexation of Taiwan, the new Japanese rulers conducted a survey in Taiwan assessing its population and ethnic groups

(Wang, 2002: 533). Three years after the annexation, in 1898, the Japanese conducted an island-wide cadastral survey to assess the amount of cultivated acreage, which turned out to be double the size assessed by the previous Qing-administration (Matsuzaki, 2019: 7). This systematic approach to assessing its new colony enabled the Japanese rulers to relatively quickly understand local conditions and implement effective institutions in its best interest. From the late 1910s, the Japanese rulers began enforcing ethnic assimilation of Taiwanese and from 1 January 1923 on, adopted the “extension of the homeland” policy (Wang, 2002: 535) in Taiwan. This policy comprises the implementation of vast parts of Japanese law in Taiwan, including civil, commercial and administrative laws. Furthermore, in “Taiwan [...], the Japanese trained bureaucrats, restructured bureaucracies, and expanded schooling and public health, but without introducing strong property rights or free and fair elections, and while often resorting to violence to control the local population” (Mattingly, 2017: 435). Additionally, the Japanese constructed a dual bureaucratic structure in Taiwan, which instrumentalized pre-existing social and geo-spatial networks for state-building efforts (Ts'ai, 2006: 104-105; 115). These local intermediaries were effective in enforcing the newly imposed rules and regulations (Matsuzaki, 2019: 49). The institutions built by the Japanese “were also utilized by the colonizer as apparatuses of disciplinary power for more effective rule over the Taiwanese. There was colonial discrimination in access to these institutions. In short, it was a colonial modernity that the Japanese brought to the Taiwanese people” (Wakabayashi, 2006: 8).

The Japanese state-building efforts affected the local culture less divertingly than Western imperialism: “The extractive nature of institutions, such as a colonial-style customs system, established by Western imperialists [in mainland China] undermined generalized trust and confidence in the central government; the [empirical result] indicates a stronger predisposition for confidence in the central government in provinces that developed Japanese-style institutions. [...] Confucian social capital is more highly developed in areas of Japanese, rather than Western, imperial expansion” (Jung and Grigoriadis, 2019: 88).

In sum, while the Japanese colonizers only had half as long, namely fifty years compared to the century of Western imperialism in mainland-China, Japanese state-building efforts in Taiwan can be called quite successful

(Matsuzaki, 2019: 7): After the annexation of Taiwan by Japan (X), power of agency (Soifer, 2012: 1574) was relatively large for the new Japanese rulers and relatively small for the Taiwanese population. That is because the new Japanese rulers were quick and effective in gaining control over the island, which left little room for maneuver for the local population. Japanese imperial reign over Taiwan was violent and exploitative while effective in sustainably creating well-trained as well as highly efficient bureaucratic state institutions. These institutions of imperial or colonial descent determined the future development path of the treated society: "the scale of [...] the subsequent divergence in incomes are due to the emergence of the opportunity to industrialize [...]. While societies with extractive institutions or those with highly hierarchical structures could exploit available agricultural technologies relatively effectively, the spread of industrial technology required the participation of a broad cross section of the society [...]. The age of industry, therefore, created a considerable advantage for societies with institutions of private property" (Acemoglu et al., 2002: 1279). Therefore, the Japanese state-building efforts laid the foundations for Taiwanese economic growth and industrialization. At the same time, "Japan, as Taiwan's colonial ruler monopolizing the agency of modernity [...] was the 'subject of a love-hate relationship,' hence the 'unforgettable other' to Taiwanese" (Wakabayashi, 2006: 9). Jung and Grigoriadis (2019: 100) provide empirical evidence "that the cultural distance between the invader and the invaded in mainland China and Taiwan is a powerful predictor of institutional outcomes and the persistence path of unrelenting Confucian values. The cultural proximity of Japanese invaders to Taiwan facilitated the creation of an efficient public administration and state-run economy". In their analysis, cultural proximity is given, where related languages imply cultural kinship, which would be cultural proximity. Language barriers between culturally closely related groups are thus less costly to overcome than those with culturally more distant groups.

Applying the terminology of the morphogenetic approach, the emergent property, imperialism (X), made Taiwanese locals cooperate with the new rulers after the annexation of Taiwan by Japan, which constitutes the structural situational logic of compromise (leading to syncretism). However, this compromise and syncretism comprise a built-in incompatibility, which can eventually lead to endogenous change caused by groups no longer being able to sustain the compromise that covers the incompatibility (Greener, 2005:

67). Therefore, X resulted in the cultural situational logic of correction in the form of a sufficiently large number of Taiwanese supporting or at least accepting the Japanese state building more or less voluntarily or pragmatically in this first step M_1 . These conditions within M_1 result in a high-medium likelihood of path-dependence (Greener, 2005: 66; Archer, 2009: 222).

5. (M_2) Revolutionary turmoil (1945-1949)

After Japan gave up Taiwan after being defeated in World War II in 1945, Taiwan went under the control of the Kuomintang-led Republic of China (ROC). As one of the victorious parties of World War II, the ROC became one of the founding members of the UN on 26 June 1945 (UN, 1945: 31). Politically, mainland-China itself had been in the midst of internal decay in the years prior: "For China, the Sino-Japanese War had set in motion a most detrimental cascade of actions precipitating reactions until the long chain finally culminated in the far more deadly second Sino-Japanese War of 1937 to 1945: The first Sino-Japanese War, the ensuing scramble for concessions, and China's attempt to respond to the growing crisis with a broadening reform program resulted in the collapse of the dynasty. This fed directly into the era of warlordism that continued through the 1940s. Debilitating warlordism, really a series of multilateral and localized civil wars, lasted until the end of the great Chinese Civil War in 1949" (Paine, 2003: 314). After being overpowered by the Communists under Mao Zedong in the Chinese Civil War (1945-1949), the nationalist Kuomintang (KMT) party under their chairman and commander-in-chief Chiang Kai-shek retreated to Taiwan (ibid). After the civil war, "China split into the Republic of China on Taiwan and the People's Republic of China on the mainland, both with aspirations of being the one, true China" (Forster, 2021: 7).

When Taiwan went abruptly from Japanese to KMT-rule, this included the ousting of all Japanese residents from the island as well as a second migration movement from mainland-China to Taiwan (Wang, 2002: 535). Once the KMT seized Taiwan, they implemented what Wong (2020: 158) coins as national colonialism, namely the symbiosis of nation-building and colonization. Similar to the Japanese colonizers, the ethnic mainland-Chinese Han migrating to Taiwan around 1949 monopolized political power by excluding native ethnic

groups as well as ethnic Han-Chinese who migrated before 1949 from political participation. The purpose of the KMT's colonial state-building efforts were driven by the ambition to use Taiwan as a base for recapturing mainland-China (Wong, 2020: 159).

Following the effective Japanese institution-building (M_1), the KMT were in the fortunate situation to build upon these efforts towards their own state-building ambitions. That is a decisive difference to mainland-China, where after the founding of the PRC in 1949, a development sequence reacting to the Century of Humiliation under extractive and destructive foreign imperialism took place. The decline of the Qing empire was largely due to endogenous factors (i.e., economic recession, demographic explosion, and an overburdened administration), which provided favorable conditions for Western imperialism in China (Perez-Garcia, 2021: 61; Park, 2018: 315). This experience of an over-challenged and humiliated Qing court from the mid-nineteenth century onwards is a defining moment in modern Chinese history (Pieke, 2016: 59) and destabilized mainland China for decades to come after 1945. The revolutionary turmoil in mainland-China, spanning from Civil War to Cultural Revolution, lasted from 1945 to 1972, while Taiwan already entered a new and consolidating development sequence in 1949.

In terms of the morphogenetic approach, the emergent property of Japanese institution building (M_1) resulted in the structural situational logic of opportunism: The KMT as the new colonizers of Taiwan were able to take over a running system of effective institutions from the Japanese colonizers (Wang, 2002: 536). These “[c]ontingent compatibilities entail[ed] a situational logic of pure opportunism, for only gains [could] accrue from their exploitation” (Archer, 2009: 226). This resulted in the cultural situational logic “cultural free play - for novel combinations and applications involving conceptual integration, theoretical reduction or doctrinal extension, all of which have ideational synthesis as their common denominator” (ibid., 244). In the present case, the KMT obtained the opportunity to utilize the functioning state apparatus in Taiwan for their own power ambitions. These conditions within M_2 resulted in a low likelihood of path-dependence, because this cultural free play opened a vast number of options for further development (Greener, 2005: 66; Archer, 2009: 226–227).

6. (M₃) Consolidation and diplomatic status loss (1949-1971)

When the KMT-led central government of the ROC moved to Taiwan in December 1949, the island became a de-facto state owing to a sovereign government being implemented (Wang, 2002: 537). After a relatively short four-year-period of revolutionary turmoil, the KMT had a formally unlimited time horizon to consolidate in Taiwan. "Political time is institutionalised, in particular, through rules that govern the length and configuration of terms, mandates and tenures of elected and un-elected officials; [...] political time should be understood both as an institution and as a resource for (and, by implication, a constraint on) actors in political decision-making" (Howlett and Goetz, 2014: 486). Thus, the KMT had no formal time constraint to implement reforms and solidify their power base. The first years after losing control over mainland-China in 1949 and then consolidating on Taiwan were "a dire juncture" (Lin, 2022: 13) for the KMT and especially their leader Chiang Kai-shek. Lin (2022) describes in detail how the KMT were reduced to ruling over a few islands in the South China Sea and lacked realistic perspectives as well as formalized international support, even though covert cooperation with the USA was active. Nonetheless, the goal of seizing control over mainland-China "was deeply entrenched in Taiwan's post-1949 political rhetoric, propaganda, civic education, and policy planning. It should be noted that the idea of launching a military operation to restore the whole of China to Nationalist rule from such a limited, localized power base as Taiwan was never an issue to Chiang" (ibid., 42).

In order to attain the goal of control over mainland-China, the KMT needed to consolidate, both, their domestic and international power bases. Domestically, the KMT worked on self-strengthening by consolidating its power base in Taiwan. Beginning in the early 1950s, the KMT permeated all levels of public life with a network of party cells (Riedl et al., 2020: 325). Public administration in Taiwan was dominantly in the hands of emigrated mainland-Chinese and their social (i.e. Confucian) values as well as experience of revolutionary turmoil (Wang, 2002: 538). "The principles of democratic centralism, ideology as guide to policy, and party supremacy over the government and military were reasserted. [...] KMT leaders justified many of these reforms by pointing to the success of the [Communist Party of China

(CPC)]. Although similar, the two parties are obviously not identical: [...] the economic, social, and ethnic environments in which the two parties were embedded were quite different (in particular, Taiwan has always had a vibrant private economy in the post-1949 period) [...]. It is the similarities that make a comparison possible, but it is the differences that make the comparison meaningful" (Dickson, 1998: 350).

After gaining control over Taiwan, the KMT were eager to reverse the Japanization effects and commence Sinicization efforts in order to create a new national identity, legitimacy and gain support for the KMT's fight against the CPC on the mainland (He 2014, p. 478). In the course of this Sinicization, Japan became the negative other to the Taiwanese identity – just like Western imperial powers to the mainland Chinese identity under the narrative of the Century of Humiliation. Domestically, the KMT also drew legitimacy from effective economic reforms, which were implemented from the early 1950s onwards with the support of the USA seemingly resulting in an annual economic growth rate of 10 per cent from the 1960s onwards. The KMT's "efforts to grow Taiwan's small and medium-sized enterprises, combined with large investments in universal education, full employment, and targeted social programs, promoted social mobility and the growth of the middle class. From an economic point of view, this proved to be efficient. Politically, growth with equity in Taiwan prevented the concentration of economic wealth, which the KMT feared could translate into political opposition" (Riedl et al., 2020: 325). During the 1950s and 1960s, the KMT used local elections about patronage to appease and control local populations; with crucial policy being centrally decided, these local participation offers held little risk for the KMT (Dickson, 1998: 356).

Internationally, the KMT used its strategic positioning in the Cold War throughout the 1950s and 1960s. As an ally to the USA, the KMT on Taiwan were an instrument of containing the Communist PRC militarily and politically (Lin, 2022: 101). The cooperation between Taiwan under the KMT and the USA was mutually beneficial: The USA had an ally against the Communist Sino-Russian couple, while the KMT ensured their own political survival and increased their chances of seizing mainland-China. However, with Sino-US rapprochement, the relevance of Taiwan decreased: When US-president Richard Nixon visited Chairman Mao Zedong in the PRC in 1972, the Sino-US relationship morphed from hostility to reconciliation by overcoming mutual mistrust in the context of

the Cold War-power play (Goh, 2005: 483). On 25 October 1971, the UN General Assembly passed the United Nations Resolution 2758, with which the PRC became the sole representative of China (United Nations, 1971). This resolution was preceded by simultaneous developments, namely by the decreased commitment of the USA to Taiwan, Sino-US rapprochement and the success of the PRC's peaceful rhetoric (Forster, 2021: 7).

In summary, after withdrawing to Taiwan, the KMT eagerly attempted to solidify their domestic and international power bases. However, international developments beyond the KMT's control led to a diplomatic status loss, which intensified the need for self-strengthening domestically (Wang, 2002: 538). In terms of the morphogenetic approach the emergent property, the revolutionary turmoil (M_2) accompanied by the KMT's loss of control over mainland China, led to the structural situational logic protection and likewise the cultural situational logic of protection by introducing reforms to strengthen the ROC's domestic and international position. These resulted in the highest likelihood of path-dependence (Greener, 2005: 66; Archer, 2009: 219–220). That is because “structural resilience derive[s] from the fact that necessary complementarities create situations in which everyone has something to lose from disruption (though in absolute terms some have vastly more to lose than others), whereas the changes which would constitute gains are less than obvious and would anyway confront the combined pressures of those threatened by ensuing losses. This is the key which generates and generalizes this situational logic of protection” (Archer, 2009: 220). In the present case, especially the KMT had their power base and political relevance to lose from the described disruptions and therefore followed the situational logic of protection by self-strengthening.

7. (M_4) Liberalization (1971-1990)

Choosing protection by self-strengthening, the KMT opted for adaptation to its changing environment. “Faced with changes in its environment, a ruling party [here the KMT] may do one of three things: ignore, alter, or adapt to the environment” (Dickson, 1998: 351). As a reaction to the revolutionary turmoil (M_2), the KMT adapted to the new environment by consolidating (M_3) its power in Taiwan. The consolidation process comprised international cooperation as

well as nation building and local political participation of citizens. Adaptation is a difficult political decision. The KMT's motivation for this adaptation was to stay in power and to eventually regain control over mainland-China. The side effect was a continued path dependence leading to liberalization as this section lays out.

The combination of an emerging, politically conscious middle class due to economic growth in Taiwan and the island's loss of diplomatic status loss triggered a beginning democratic transition. Losing the seat in the United Nations put a deep dent into the legitimacy of the KMT. With the international community de-recognizing the ROC's status, the KMT's authoritarian rule could no longer be supported by the party's historical mission to recapture the mainland. Thus, oppositional groups began to challenge the KMT's power monopoly by working towards democratic reform (He, 2021: 163). As Dickson (1998: 354–355) describes, by the 1970s, the KMT members were not only individuals from the revolutionary era, but younger members of whom many were representatives who got into office through local elections. With such a feedback mechanism, the KMT became more aware of public opinion, which it included in policymaking and political reform. Throughout the 1970s and 1980s, the ruling KMT continued to lose the support of the US internationally and of the Taiwanese population domestically (Riedl et al., 2020: 325). The KMT understood that they could no longer rely on opposition repression but needed to win political support to stay in power. The KMT therefore began moderating the political and economic agendas, which appeased part of the oppositional movements and thus stabilized the society (Wong, 2019: 201). The KMT implemented responsive adaptation, meaning the party and state bodies not only reform out of elite preferences but integrating to the society's preferences. For example, allowing non-KMT candidates to run in limited elections in the 1970s and 1980s allowed the KMT to assess their popularity. The KMT's political power in the mid- to late 1980s was robust but weakening. Therefore, "[c]onsistent with [the] theory of authoritarian-led democratization, the decision by President Chiang in 1986 to allow the formation of the [Democratic Progressive Party (DPP)] and the introduction of party competition was a preemptive strategy for the ruling party to maintain its power in democracy. [...] An autocratic incumbent conceding democracy is not necessarily conceding defeat [...]. The KMT [...] was a confident party" (Riedl et al., 2020: 324–325). In other words, the KMT allowed for democratic

reforms from a position of relative strength and this “transitioned from a ‘one-party dictatorship’ to a ‘one-party dominant’ democracy” (Wong 2019: 201) throughout the 1980s.

That is a decisive difference to the CPC in mainland-China, where reforms remained limited to economic reforms, while upholding ideology prevailed over political reform: In 1978, Chairman Deng set up the modernization in agriculture, technology, industry, science and military. Chairman Deng was aware that, in order to spur economic development, the PRC depended on Western know-how and technology. One measure to achieve this inflow was to send the Chinese youth to study in Western countries (Bhattacharya, 2019: 86), similar to the Qing court's reform attempts in the second half of the nineteenth century. Xing (2019: 296) summarized the factors for mainland-China's rapid economic growth following these reforms in five points: “(1) abundant labour endowment and corresponding comparative advantage in labour-intensive products; (2) reforms of domestic institutions, such as the transition to a market-oriented economy, the adoption of export-led growth strategy and unilateral trade liberalisation; (3) improved market access for China's exports through institutional arrangements, namely the [World Trade Organization (WTO)] membership, bilateral and multi-lateral free-trade agreements and the abolishment of multifiber arrangement; (4) exchange rate regime adopted by the Chinese government and undervalued currency and (5) massive inflows of export-oriented foreign direct investment.”

Hence, while the KMT in Taiwan built upon a relatively strong economy and stable state institutions from the 1950s on, which allowed for political reforms throughout the 1970s and 1980s, the CPC in the geographically by far larger mainland-China attempted to stabilize its economy while maintaining control and upholding ideology. Applying the morphogenetic approach, the emergent property, the KMT's consolidation in Taiwan (M_3) accompanied by the KMT-led ROC's loss of diplomatic recognition by the United Nations, led to the structural situational logic of compromise and the cultural situational logic of correction leading to syncretism by introducing political (liberal) reforms. These resulted in a high-medium likelihood of path-dependence (Greener, 2005: 66; Archer, 2009: 222–225). The KMT dared to implement such democratic reforms, because its strong power base (by permeating all state institutions), economic growth as well as first positive experiences with limited local

elections provided positively reinforcing incentives for political reform. “The situational logic of compromise thus arises because necessary incompatibilities means that the promotion of vested interests has to be a cautious balancing act, a weighting of gains against losses, where to accrue bonuses is also to invite or incur penalties” (Archer, 2009: 224).

8. (M₅) Democratization (1990-2015)

According to Wong (2019: 200), the democratic resilience in Taiwan is a function of how it transitioned to democracy decades earlier. This insight implies that the foundation laid at the time of transition affects resilience in the future. The development path from X to M₄ describes this transition from imperial Qing-rule to Japanese colonial control and, via a short phase of revolutionary turmoil, to a sequence of stabilizing consolidation that allowed liberalization. Therefore, Taiwan’s democratization appears to be an inevitable consequence of the previous development sequences, as this section shall analyze.

Taiwan’s transition to democracy took place in two stages, namely “the removal of authoritarian institutions in the late 1980s [M₄] and the introduction of democratic elections in the early 1990s [M₅]” (He, 2021: 163). Between May and September 1986, Taiwan’s democratic Tangwai movement, which consisted mostly of middle-class citizens demanding more political rights, organized several large rallies. In the fall of 1986, the formation of the oppositional DPP was announced despite the martial law in force and tolerated by the KMT (Riedl et al., 2020: 324; He, 2021: 164–165). After the abolishment of the martial law and the subsequent liberalization of civil and political rights (Wang, 2002: 538) in 1987, the KMT allowed first elections with oppositional candidates in 1989, which were followed by legislative Yuan elections in 1992 (Riedl et al., 2020: 324). The KMT won both elections in 1992 and 1996 and only lost the presidency to the DPP in 2000. Since then, the KMT still won substantial shares of the electorate, which underscores the organization’s capacity to adapt and transition itself from an authoritarian, somewhat foreign, party to a strong, natively rooted, democratic competitor (Riedl et al., 2020: 326; He, 2021: 168–170; Choi, 2015: 415; 419; Wang, 2002: 539).

In sum, the KMT was a strong party in the sense of a proven track record of successfully presiding over the economic development and international establishment of Taiwan in the decades following 1945 until 1990. However, the KMT also faced strong pressures of political participation demands from the middle-class throughout the 1980s. Abandoning martial law in 1987 and allowing the formation of an oppositional party bore little risk. This is because the authoritarian incumbent KMT was not weakened into defeat despite growing opposition. Rather, the incumbent party was the most likely to lead a transition process from authoritarianism into “a stable democracy [because] autocrats with a strong party calculate that democratizing in their own time and on their own terms is the best strategic response to pressures that are rising but do not yet constitute an imminent threat of regime overthrow” (Riedl et al., 2020: 320).

The ruling CPC in mainland-China, in contrast, continuously rejected political reforms in the sense of liberalization or at least feedback mechanisms and builds their rule on ideological foundations, while constantly weighing party tradition against economic reforms (Dickson, 1998: 354). Due to the distorting effects of imperialism and the Cultural Revolution (1966-1976) on traditional Confucian values and consequentially societal cooperation in PRC, there has been a recourse to selected moral Confucian values like filial piety through, for example, Chinese TV shows, since the 1990s, which often reference an idealized society of the Qing-era (Lin, 2020: 827–832). This recourse to values of times before the revolutionary turmoil such as obedience and preference for strong leadership (Jung and Grigoriadis, 2019: 88) has the effect of legitimizing the autocratic rule of the Chinese central government. However, Confucian moral autonomy is the best fit for a morally conservative society that balances personal freedoms and restrictions in order to achieve the moral ideal (Chan, 2002: 297). In general, “political ideas and cultural traditions—institutionalized, taken-for-granted understandings of political and social arrangements—also constrain and enable policymaking, both by limiting the range of policies that are considered rational and by giving policymakers a repertoire of legitimating tactics for their favored policies” (Lieberman, 2002: 709). In this case, the CPC lacked and lacks what the KMT has had since the first local elections in the 1970s: a functioning feedback mechanism that would

inform the CPC about actual public demands, to which the party could respond accordingly (Dickson, 1998: 357–358).

The morphogenetic approach applied to Taiwan confirms that democratization is not a natural process but a political one (Dickson, 1998: 358). The emergent property, the KMT's gradual political liberalization steps (M₄) created a functioning feedback mechanism for the ruling party. This led to the structural situational logic compromise and the cultural situational logic of correction leading to syncretism by abandoning martial law, allowing an oppositional party to form and participate in major elections. These resulted in a high-medium likelihood of path-dependence (Greener, 2005: 66; Archer, 2009: 222–225) solidifying democratization in Taiwan. The KMT could have cracked down on the oppositional and democratic Tangwai movement with force. However, coming from a position of relative power, the KMT faced little risk of losing this power, which was confirmed by the election results throughout the 1990s.

The major difference between the KMT in Taiwan and the CPC in the PRC is that the KMT continuously and strategically adapted throughout its totalitarian rule, so that the KMT could be sure of its solid power base. Therefore, the KMT “conceded democracy without intending to cede power. There are several reasons why the KMT enjoyed such confidence. In an absolute sense, the party's inherited strengths endowed it with tremendous power and important political-economic assets” (Riedl et al., 2020: 326).

9. Taiwan's key role in the Sino-US systemic competition

This study attempts to show not only that history matters but also how it matters for path dependency. Both the PRC and Taiwan experienced a similar treatment, namely chance-like occurring foreign imperialism. This study focused on assessing the causality following the randomly occurring critical juncture, which initiated the subsequent trajectories (Howlett and Goetz, 2014: 484). Using the concept of path dependence may appear random in that this concept links temporal sequences to one another by attempting to retrospectively create a causality narrative. According to Levi (1997: 28), the more suitable metaphor is a tree, rather than a path. This is because numerous branches stem from the same trunk. Switching from one branch to the other is possible, but more difficult and costly than following the branch on which the

climber began (*ibid.*, 28). Therefore, path dependence is rather a metaphor in order to create an understanding through a historic narrative (Kay, 2005: 565).

The PRC case shows normative (Sarigil, 2015: 226) path dependence and the Taiwan case utilitarian (Kay, 2005: 562) path dependence. The development path of the PRC is determined by the Century of Humiliation following the critical juncture of foreign imperialism X. Since this critical juncture, the PRC's leadership's agency has been characterized by the Chinese "resentment complex" (Zhang, 2020: 231) against Western systemic offers. The upholding of CPC doctrine and its defense against any sort of political reform prevails so that the "victimized identity remains relevant today because it was chosen to be, in order to bolster the [CPC]'s legitimacy" (Wang, 2020: 40). The case of Taiwan, respectively the ROC, has shown a utilitarian path dependence following the critical juncture of Japanese imperialism. The KMT's objective after their defeat in the Chinese civil war was consolidation and power gain to recapture mainland-China. Solidifying their power base in Taiwan and within the international community has been their main objective throughout the sequences M_1 to M_5 . With each strategic adaptation, the KMT increased their return (Bennett and Elman, 2006: 256), namely power, in "self-reinforcing or positive feedback processes" (Pierson, 2000a: 252).

This study advanced two hypotheses, namely (I) Japanese imperialism in Taiwan was more conducive towards efficient state institution building than Western imperialism in mainland China and (II) the choices of political agents then solidified the respective path dependence conditioned by the agents' risk aversion and desire for power preservation. Therefore, the development paths of Taiwan and the PRC diverged with every next causal step farther from one another and led to the outcome of interest, Y. For the PRC, Y is the systemic competition between the autocratic PRC with a state-controlled marketized economy and the democratic US with a free-market economy. For Taiwan, Y is playing a key role in exactly this systemic competition.

For the US, Taiwan is of geostrategic, economic and political importance as a tool to contain the PRC. The US provide Taiwan with support along the lines of the Taiwan Relations Act enacted in 1979 (US Congress, 1979). While the Taiwan Relations Act has remained unchanged in its core for decades, the USA gradually intensified their senior-level engagements with the ROC's government (Xin, 2023: 2–3) – both through ignorance and intention – since

2016. On 2 December 2016, ROC President Tsai Ing-wen was among the first callers to congratulate US-President-elect Donald Trump. This was the first recorded phone call between the heads of government of the UA and the ROC since 1979. When President Trump's successor in office, President Joe Biden, was inaugurated, ROC's representative in the US, Hsiao Bi-khim, was an official guest at the inauguration ceremony in Washington D.C. on 21 January 2021. From 02 to 03 August 2022, the Speaker of the United States House of Representatives, Nancy Pelosi, visited President Tsai Ing-wen in Taiwan. This was the first such high-ranking visit since Speaker Newt Gingrich's visit in 1997. The Ministry of Foreign Affairs, the People's Republic of China (2022) was quick to condemn the visit on the morning of the 03 August 2022 by stating that the visit "seriously violates the one-China principle, maliciously infringes on China's sovereignty and blatantly engages in political provocations [...] attempts to use the Taiwan question to contain China are doomed to failure." While Speaker Pelosi merely repeated the vague commitment to stand with Taiwan, the PRC's reaction, including military exercises around Taiwan and trade suspensions, depicts how serious such symbolic gestures are taken by the government of the PRC. In an interview televised on 18 September 2022, US-President Biden answered the question whether US Forces would defend Taiwan: "Yes, if in fact there was an unprecedented attack." (CBS Interactive Inc. 2022).

The PRC generally reacts with tailored responses aimed at increasing pressures on Taiwan's government, while dissuading other countries, such as the US, from supporting Taiwan. Eight days after the historic visit of Speaker Pelosi in Taiwan, the PRC clarified its position on Taiwan in its third white paper since the first one in 1993 and the second one in 2000. The latest white paper titled "The Taiwan Question and China's Reunification in the New Era" was published by the Taiwan Affairs Office of the State Council and the State Council Information Office of the People's Republic of China (2022) on 10 August 2022. In this white paper, the PRC underscores its claim over Taiwan by referencing archeological findings, the Qing courts administration of the island after the Dutch colonization, Japanese colonization as well as the KMT's defeat in the civil war to create "a sound basis in history and jurisprudence". According to the white paper, the PRC's rule over Taiwan would be the only way to prevent another foreign invasion and occupation of the island and heal the intense wound of humiliation. The latter is an obvious reference to the

Century of Humiliation or, which is the critical juncture X specified in this study. Already in the early 1980s, during a narrational shift towards a nationalism built on overcoming foreign humiliation, the CPC began to rewrite the narrative about the KMT by claiming the mutual fight against the Japanese war of aggression against China (He, 2009: 215). These historical references and interpretations are used to justify the PRC's claim on full sovereignty over Taiwan. Referring to the US, the white paper speaks of delusional forces within the USA that depict the PRC as a strategic adversary and incite separatism to exploit Taiwan. Overall, this white paper highlights the relevance of Taiwan for the PRC's current self-conception. For the first time, the PRC publicly states that the stationing of Chinese soldiers and administrative cadres in Taiwan is a possibility, which is in line with the Chinese anti-secession law from 2005. The PRC also emphasizes its readiness to apply military force by, for example, frequently having People's Liberation Army Air Force (PLAAF) aircrafts flying over Taiwan's Air Defense Identification Zone (ADIZ) or across the Median Line in the Taiwan Strait. Operations as these are also good indicators of tensions between the PRC and Taiwan or the PRC and US over Taiwan or upcoming bilateral meetings. These military operations peak along with increased conflict potential and intensify when the People's Liberation Army (PLA) has reached new capabilities. For example, between 08 and 10 April 2023, the PLA conducted the large-scale military exercise "Joint Sword" with warships and aircrafts crossing the ADIZ. During "Joint Sword", an aircraft carrier was used for the first time to launch aircrafts against the Eastern part of Taiwan to show that the PLA could uphold a sea blockade on that side of Taiwan as well. After the exercise, the PLA remained present around Taiwan with an increased number of war ships, which likely signals a new normal in the intensified conflict. The PRC's President Xi Jinping confirmed and summarized the PRC's stance on Taiwan on 22 October 2022 during the 20th party congress of the CPC by stating that reunification between PRC and Taiwan is a historical mission, which must be achieved, whether peacefully or by force against foreign interference or separatists (National Congress of the Communist Party of China, 2022: 51–52). Neither official documents nor statements specify a target year for this reunification, which complicates prognoses on the matter. It is, however, safe to say that gaining control over Taiwan is of the highest priority for the PRC's current leadership. The Chinese perception of an increased foreign

interference in what the PRC sees as an internal issue caused a strategic shift, in which “an ‘anti-external interference’ policy has matched or surpassed the anti-secessionist movement as a strategic priority” (Xin, 2023: 2) from 2016 onwards.

While the PRC and US intensify their conflict around Taiwan, Taiwanese society intensifies its national identity as delimitation to the Chinese identity as shown in Figure 2.

Figure 2. *Changes in the Taiwanese/Chinese identity of Taiwanese (Source: Election Study Center, National Chengchi University, 2023)*

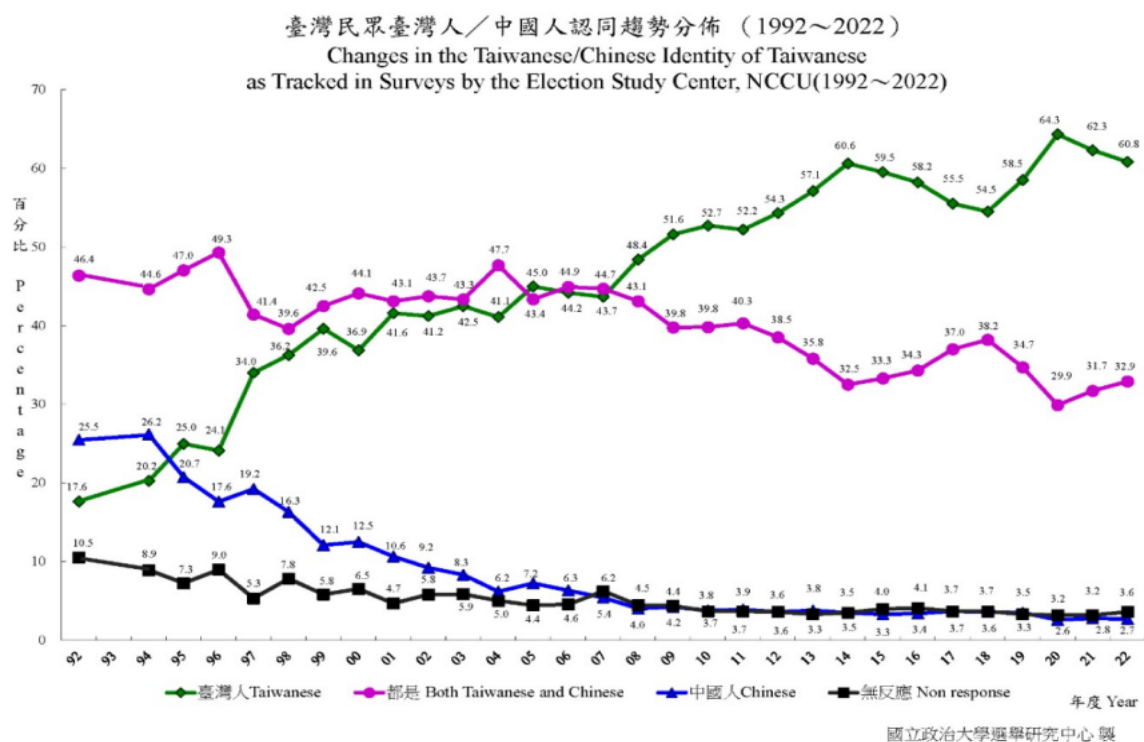


Figure 2 shows a steady upward trend for the percentage of Taiwanese, who only identify themselves as Taiwanese. The trend of the simultaneous decline of the share of Taiwanese, who identify as Taiwanese and Chinese is relatively flat but clearly negative. While both lines converge during the periods between 1997 and 2007, the line for Taiwanese identity surpasses the mixed identity line sharply after 2007 and continues its upward trend. This is a likely indicator of the fact that the PRC's proclaimed peaceful reunification is

increasingly unlikely, since the majority of Taiwanese do not show an interest in being citizens of the PRC.

In sum, Taiwan, PRC, and the US demonstrate a classical trilemma situation, in which interests of three differently organized societies and their respective elites clash. Bachrach and Baratz (1962: 952) suggest that such a situation can be analyzed stepwise by (I) assessing the predominant cultural-historical developments, (II) assessing who benefits and who loses from such a clash, (III) assessing how influential the agents supporting the status quo are and finally (IV) merging these insights into a full picture of the “mobilization of bias” (Bachrach and Baratz, 1962: 949). The mobilization of bias means that all political organizations have an incentive to exploit conflicts and integrate exploitation into politics. This study analyzed the cultural-historic developments of this study's conflict, the outcome of interest Y, the beneficiaries as well as agencies. In the present case, the PRC's normatively motivated leadership benefits from the conflict with the US over Taiwan by utilizing it in support of its continued narrative referencing the Century of Humiliation to legitimize its own rule. The US as the last remaining world power after the Cold War benefited from this conflict with the PRC to upkeep the credibility of its international commitments, while containing the rising world power PRC. Taiwan, the object of this power-conflict with its leadership showing a utilitarian path dependence, both benefits and losses from the conflict. The conflict led to the increased economic integration of Taiwan with the US as well as the PRC, which is now referred to as Taiwan's “silicon shield”. This power-conflict thus contributed positively to Taiwan's economic development. The constant threat of a Chinese invasion, which would highly likely entail the end of Taiwan's democratic liberty, brings political gains to PRC-skeptical politicians, for instance, politicians of the DPP.

Such a constant danger is also an obstacle to further investments in Taiwan. For example, in May 2023, US-holding company Berkshire Hathaway Inc. sold its investment of more than USD 4 billion in the market-leading Taiwan Semiconductor Manufacturing Company due to geopolitical risks (CNN, 2023). Further developments as well as the solution to this trilemma need to be the subject of future analysis. The present study provided, however, an explanatory approach to how this trilemma came about.

Notes:

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1. The term “systemic competition” is used in this study to emphasise the comprehensiveness of the inter-state power conflict between the PRC and USA. A system is a set of interacting elements that, combined, form a whole. Competition shall, in the present context, describe the rivalry of two or more powers for a position that cannot be shared, namely the position of a world power in contrast to a regional power. In this study’s context, the word “systemic” thus implies competition in a variety of interrelated fields including trade and economy, regional military and political partnerships as well as political influence in different spheres such as multilateral organisations.

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